


MEMO

Date June 27, 2019
To J. Mark Sweeney
Principal Deputy Librarian of Congress
From Kurt W. Hyde 
Inspector General

Subject Final Report for Public Release – *No Improper Payments Were Found for the Period Under Review but Personally Identifiable Information Was Discovered*, Report No. 2018-SP-106

This transmits our final memorandum on the results of our improper payments/purchases evaluation for the Library of Congress (Library). For the three-month period under review, October 1, 2017, through December 31, 2017, the Office of the Inspector General reviewed for: 1) split purchase card transactions, 2) duplicate payments, and 3) payments made where conflicts of interest exist between employees and vendors providing goods and services to the Library. Because we found no improper payments and did not make any recommendations, Library management did not provide a written response.

Under the Improper Payments Information Act of 2002 (IPIA), as amended, an improper payment is statutorily defined as any payment that should not have been made or that was made in an incorrect amount.¹ Examples of improper payments include duplicate payments, payments made to an ineligible recipient, and payments for which insufficient or no documentation exists.² We note that the Library is not required to comply with IPIA or the Improper Payments Elimination and Recovery Act of 2010, which requires Offices of Inspector General to determine and report on agency compliance with IPIA, as amended.³ Nevertheless, we conducted this evaluation, and plan to conduct more in the future, to assess and report on improper payments at the Library.

¹ See 31 U.S.C § 3321 note.

² Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, Report No. M-18-20, June 2018

³ See 31 U.S.C § 3321 note.

No Improper Payments Were Found

OIG did not identify any split purchase card transactions, duplicate payments, or payments made where conflicts of interest existed. Therefore, we do not have any findings that pertain directly to these matters. In conducting our fieldwork related to the evaluation's objectives, we did however identify six transactions where Personally Identifiable Information (PII) was displayed on supporting documentation attached in the Legislative Branch Financial Management System (also known as "Momentum"), the Library's electronic financial management system. Library policy prohibits the unnecessary disclosure of PII in the Legislative Branch Financial Management System (LBFMS).

The Financial Services Directorate (FSD) addressed our concerns over the course of the evaluation and strengthened controls to help protect the Library's PII. FSD updated the financial systems application form that users complete to gain access to LBFMS by inserting a statement reminding users to protect PII. Further, FSD created a new message in LBFMS that alerts both users and supervisors of the Library's policy regarding PII. We consequently do not have any recommendations for further corrective action.

Scope and Methodology

The evaluation's scope included all accounts payable expenditures and purchase card transactions made by the Library from October 1, 2017, through December 31, 2017; this was approximately \$73 million in expenditures. This is one in a series of OIG evaluations relevant to this topic.⁴

Evaluation methodologies included collecting data, analyzing data and verifying the results of data analysis. We obtained expenditure data recorded in LBFMS and from J.P. Morgan's purchase card administration system, PaymentNet.⁵ We performed data analysis using scripts (programs) to perform 100 percent testing. We reviewed supporting documentation obtained from LBFMS and cardholders to validate our results.

We conducted this evaluation in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency and Library of Congress Regulation 1-140, *Inspector General*. The standards require that we obtain sufficient, competent, and relevant evidence to provide a reasonable basis for our findings, conclusions,

⁴ *Improper Payments Review*, Report No. 2010-AT-103, March 2011; *Improper Payments Review II*, Report No. 2011-SP-101, May 2011; and *Limited Number of Improper Payments Found During Nine-month Period*, Report No. 2017-SP-101, March 2018.

⁵ LBFMS general and application controls are subject to annual audit as part of the Library's financial statement audit. OIG assessed the PaymentNet data to confirm that the data were sufficiently reliable for the purposes of this report.

and recommendations. We believe that the evidence obtained provides such a reasonable basis.

We appreciate the cooperation and courtesies extended by the Financial Services Directorate and other units within the Library during this evaluation.

cc Chief Operating Officer
Chief Financial Officer
General Counsel